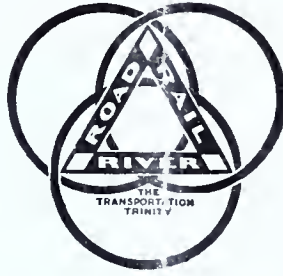


"NOT A PROJECT, BUT A POLICY"



NATIONAL
RIVERS AND HARBORS
CONGRESS

Bulletin Number One, 1920

Washington, D. C.

January, 1920



SENATOR RANSDALL RETIRES

Had Served Fourteen Years

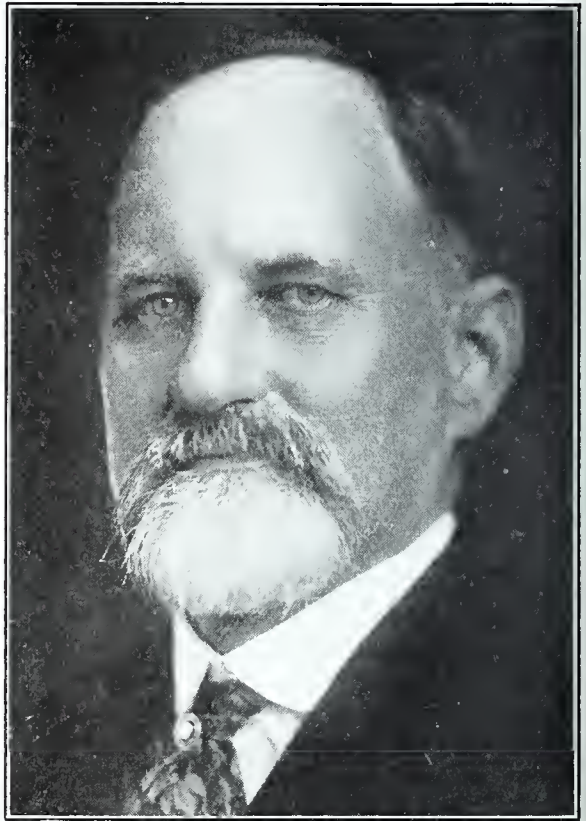
To the Officers and Members of the
National Rivers & Harbors Congress:

For one year I served as Chairman of the Executive Committee and then for thirteen years consecutively as President. For the honor done me by these repeated reelections to the highest office in your gift you have my sincere appreciation and my cordial thanks. But the position of President of a great national organization involves not only high honor but heavy responsibility as well, and I felt that, after fourteen years of continuous service, I was entitled to retire.

During these years that we have worked together we have seen both prosperity and adversity. We have received criticism as severe as it was unjust and unwarranted, which was met and overcome not by controversy but by steadily going forward with the work which we were organized to do. We have worked always for a waterway policy and never for a waterway project. By faithfully following this course in the future we shall maintain the success and merit the esteem which we have won in the past.

No presiding officer has ever had more faithful, loyal and devoted helpers than I have ever found in Capt. J. F. Ellison, the first Secretary and Treasurer of the organization and Mr. S. A. Thompson, who has held that position for the past eight years. The same thing is true of the splendid men who have been our Directors and Vice-Presidents and of a multitude of our members who have held no official position. I wish to thank each and every one of you for the unfailing kindness and courtesy shown to me and for the assistance you have given in the work of the organization.

I think I have known your new president, Hon. John H. Small, more intimately, perhaps, than any one else in this body. We have been friends for twenty years. I have watched his course in Congress and have noted the broadening and deepening of his mind. I watched him when he was Chairman of the Rivers and Harbors Committee and saw that his mind took in every waterway in this land; that he was broad and generous in his views, and wise in all his concep-



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HON. JOS. E. RANSDALL, U. S. S.

tions. While I give up the gavel with regret, and count the having held it so long as one of the proudest honors of my life, I can honestly say that I could not surrender it into any hands which are better fitted to wield it and to carry on the work of the organization. I bespeak for Mr. Small the same whole-hearted and generous support which has always been accorded to me.

Very sincerely yours,

Jos E Ransdell

Washington, D. C.

January 3, 1920.

HON. JOHN H. SMALL ELECTED

President of the Congress



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HON. JOHN H. SMALL, M. C.

to the Officers and Members of the
National Rivers & Harbors Congress:

In this my first communication since my election as President, the first thought which induces expression is one of thanks for the honor conferred. I shall strive with your cooperation to continue the organization as a valuable factor in the promotion of water transportation.

This body has been peculiarly fortunate in having secured the services in the past of all of the officers who have formulated its policies and directed its activities. In this respect it has stood as the peer among the many volunteer associations which have contributed to the public welfare. I am sure that none of these officers will regard as a disparagement of their services a special commendation of the retiring President, the honorable Joseph E. Ransdell. Possessed of unusual qualifications for the work as a student of transportation problems, he supplemented the same with an attractive personality and a genuine attachment for the work of the Congress.

I can set up no higher ideal than the promise that I will endeavor to follow the path which he blazed and to emulate the services which he rendered.

It may be said that most of the problems connected with our economic life are never entirely solved or the work completed. While the officers and members of the Congress have worked unselfishly and to an unusual degree have focused public attention upon the need of increasing facilities of distribution, the country to-day is facing a crucial period in the development of water transportation. The exigencies of War have emphasized the need of increased instrumentalities of transportation and intelligent students of industry and commerce realize more keenly than ever before that such need can only be supplied by the further utilization of our waterways. Certain essentials must be provided which require legislation. The opportunity to secure this is presented through the pending bills providing for the restoration of the railroads to their owners. Public sentiment must be directed toward the Congress with a view to securing these wise and necessary provisions of law.

May I remind the members of the Congress that adequate financial support of this organization must be provided. Its usefulness is recognized and the disposition to contribute undoubtedly exists, and it is only a question of how these factors may be coordinated and translated into results. I bespeak the careful consideration of the officers and members in the consummation of this real necessity.

May I say in conclusion that I am conscious of the responsibilities which devolve upon your President, and of my inability to meet your expectations. I can only say that I will endeavor to prove worthy of your confidence and feel sure I will receive your cordial support.

Very sincerely yours,



Washington, D. C.,
January 2, 1920.

President.

A YEAR OF GREAT ACTIVITY

Two Conventions in 1919

For reasons that will be appreciated by every patriotic American no conventions were held in 1917 and 1918, and all the activities of the Congress were decreased. But 1919, on the contrary, was full of activity from start to finish. Because two years had passed without conventions it was decided that one should be held on the 5th, 6th and 7th of February, and then, in order to resume our regular order of procedure, another was called for the 9th, 10th and 11th of December.

It is worth while briefly to review the work of the past year, which was planned and carried out with one definite and practical purpose in view. It was the opinion of the executive officers of the Congress that, whatever they may decide to do in the future, the people of the United States are not yet ready for permanent ownership and operation of the railroads by the Government. This opinion has been fully justified, not only by the answers to two referenda which were sent out during the year but by the course of events.

It was evident that there must be legislation for the termination of Government control and the determination of the conditions under which the roads shall be operated after return to their owners. The fact had long been recognized that unfair railway competition has been the principal factor in the decline, almost to the point of extinction, of traffic upon our inland waterways other than the Great Lakes. It seemed evident, therefore, that there could be no widespread and permanent revival of inland water transportation without the establishment, upon a proper basis, of the relations between railways and waterways. Our efforts during the past year have been devoted, therefore, to securing the inclusion in the railroad bill of proper provisions for the protection and development of waterways.

The closing paragraph in the Official Call for the February Convention read as follows:

"The fundamental purpose of the convention will be, not to urge appropriations for new projects, but to promote the enactment and enforcement of legislation which will secure the harmonious development and the complete cooperation of all the agencies of transportation; to urge the definite abandonment of that destructive competition which tends to weakness and disintegration

and the permanent adoption of a policy of constructive cooperation which will insure the maintenance of national prosperity, the increase of national wealth and the upbuilding of national power."



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CAPT. J. F. ELLISON,
SECRETARY-TREASURER 1906-1911

There was a long list of distinguished speakers at the February convention and there were interesting discussions on many phases of the railway problem, and the relations between railways, highways and waterways. One address dealt with the future of air traffic and the regulations necessary to govern the same. Three of the addresses—those of Mr. Walker D. Hines, Director General of Railroads, Maj. Gen. Wm. Black, Chief of Engineers and Senator J. Hamilton Lewis—were printed in pamphlet form and given a wide circulation. (Some copies of these addresses are still available and will be supplied on request as long as they last.)

Following the convention, we invited the commercial and waterway organizations of the country

y to cooperate with us in forming a Special Committee on Transportation Legislation. This committee, as finally made up, consisted of 113 members representing 33 states and 82 cities. Most of the work of this committee was done by correspondence, but on September 24 and 25 a sub-committee met in Washington and prepared a series of seven amendments covering needed legislation in the interest of waterways. The sub-committee, which consisted of seventeen mem-



inedinst Studio
SAMUEL A. THOMPSON,
SECRETARY-TREASURER SINCE 1911

rs, had before it the answers received to the first referendum sent out during the year. Many thousands of copies of these amendments were printed and circulated with the request for criticisms and suggestions. They were presented to the Senate Committee on Interstate Commerce by Senator Ransdell and to the House Committee on Interstate and Foreign Commerce by Representative Small.

With one exception, substantially everything contained in these amendments has been included either in the House Bill or the Senate Bill and several of them are found in both. The one amendment which failed of adoption by either house of Congress provided "That the Commission shall not permit any railroad to reduce its

existing rates as between points competitive with the water line or lines unless such railroad maintain such reduced rates as the maximum at all intermediate points on its lines between the points of origin and destination."

At the December Convention these amendments formed the basis of an exceedingly interesting discussion by the delegates present. Preliminary to this discussion there was an address by Mr. Small, who had a very important share in formulating the amendments, on "How Can We Emancipate Water Transportation?" Space is lacking for an outline of his address, but his ideas are embodied in the Declaration of Principles adopted by the convention, which is largely his work. This will be found in full elsewhere in this bulletin.

The proposed construction, by joint action of the United States and the Dominion of Canada, of a ship channel down the St. Lawrence River from the Great Lakes to tidewater formed the subject of another very lively debate. Those selected to speak in favor of the project were: Mr. H. H. Merrick, president of the Chicago Association of Commerce and of the Mississippi Valley Association, Mr. Alexander T. Vogelsang, Acting Secretary of the Interior, and Senator Charles E. Townsend, of Michigan, to which was added a brief but vigorous impromptu address by Senator Lenroot, of Wisconsin.

Speakers selected to present the other side of the proposition were Mr. George Clinton, of Buffalo, a direct descendant of Gov. DeWitt Clinton who built the first Erie Canal, Senator James W. Wadsworth, Jr., and Mr. Edward S. Walsh, State Superintendent of Public Works of New York. Senator Wadsworth was unable to be present, being detained at the Senate, and Capt. Charles Campbell, of New York City, with his sledge-hammer style of oratory, stepped into the breach.

There were interesting addresses delivered by Hon. Josephus Daniels, Secretary of the Navy; Senator Ellison D. Smith, of South Carolina, former Chairman of the Committee on Interstate Commerce; Senator Duncan U. Fletcher, of Florida, former Chairman of the Committee on Commerce; and Mr. Julius H. Barnes of Duluth, president of the U. S. Food Administration Grain Corporation. Lt. Col. E. N. Johnston, C. W. S., told part of what he saw during an inspection of European waterways, using lantern slides to supplement his remarks, and Mrs. Sarah Willard Strout, of Portland, Me., president of the Women's National Rivers and Har-

bors Congress, voiced a greeting from that organization.

As always, there was much that was worth while in Senator Ransdell's address, but the point that claimed chief attention was his announcement that, after fourteen years of service, he had definitely decided to retire from the presidency. Delegates from all parts of the country expressed their appreciation of his long, faithful and efficient service and their regret at his retirement. At the banquet, Col. M. T. Bryan, of Nashville, read a set of resolutions passed by

(Concluded on Page 16)

the retiring Official Board and Mr. Emil P. Albrecht, of Philadelphia, presented several pieces of sterling silver tableware—a gift from the delegates to the convention.

In his reply, Senator Ransdell not only expressed his appreciation of the many kind words that had been said and the beautiful gift that had been given, but made it plain that, while he was retiring from the presidency, he means, in the future as in the past, to continue his efforts in behalf of waterways, both in the National Rivers and Harbors Congress and in the Congress of the

DECLARATION OF PRINCIPLES

Adopted December 11, 1919

The National Rivers and Harbors Congress, assembled in the City of Washington, at its Fifteenth Annual Session, and represented by delegates from every section of the country, hereby submits the following declaration of its policies and purpose:

This is a National Organization

From the beginning it has stood to promote and increase the facilities of transportation by water. It has stood for a policy and not a project. It has been national in spirit and not sectional. Its membership and its accredited officers have striven to serve the country and without any selfish purpose. Its activities have been prosecuted without prejudice against any other agency of transportation and only with a desire to construct a complete system that should meet the increasing demand of industry and commerce. The National Rivers and Harbors Congress hereby renews its pledge of public service and rededicates its activities to the up-building of the country.

Production and Distribution

The industrial fabric of the country depends upon production and distribution. While these two factors may vary from time to time as the demand increases or diminishes, still the continued growth of the country creates an ever-increasing demand upon the facilities of both production and distribution. At this particular juncture there is a dearth of both. Economists are reiterating the need of greater production whereby the supply may be augmented and the

cost of living reduced. From many sections come complaints of inadequate facilities of transportation by rail. Freight cars and engines are either not available or shortage is reported. Everywhere coal mines are operated there are frequently no cars to move the coal. Embargoes caused by congestion of traffic are frequently announced. The country requires enlarged production and at the same time increased facilities of distribution.

Distribution

Distribution may only be accomplished through the facilities of transportation. These agencies are the waterways, the railways and the highways. While this organization is committed primarily to the promotion of transportation by water, it can best effectuate its purpose through a friendly cooperation both with the railways and the highways. We would have the public dealt fairly with the owners of the railroads and their securities. While they should be compelled to render equality of service without discrimination against any shipper or section, they should receive a revenue yielding a fair return upon the investment. We observe with gratification the nation-wide activity in the construction of improved highways by the states and local agencies and we anticipate cooperation with the Federal Government in the construction of national highways connecting the several states and sections.

At the same time it is an admitted fact that the railroads and the highways combined are inadequate to meet the demands of distribution. It is a problem in which is involved the co-

tinued prosperity of the country. Its wise solution should arrest the attention of every thoughtful citizen.

How May Increased Transportation Facilities be Provided?

Of course the carrying capacity of the railroads may be increased. Double tracks may replace single tracks, rolling stock and engines might be supplied, enlarged terminals insuring quicker movement might be provided, and new lines of road might be constructed. But all these extensions require very large amounts of new capital and the railroads have neither the revenue nor the credit to obtain the same.

It is apparent that increased facilities of transportation to meet the ever enlarging demands of distribution can only be provided through the improvement and utilization of our waterways. If any one should be skeptical as to this proposition he must surely be moved either by lack of information or by indisposition to discern the truth. Surely an organization whose purpose is to aid unselfishly in providing the country with this increased facility of distribution is entitled to support and commendation.

Improvement of Waterways

We would have it understood that the Congress favors only the improvement of such waterways as will be utilized when an adequate channel is provided. Navigable waterways are intended primarily for commerce, and the expenditure of public moneys can only be justified when they are to be used for this purpose. The improved waterway which only offers potential use, and thereby coerces lower rates by rail competition with such waterway, does not justify its improvement. We believe that projects which have been approved by Army Engineers and adopted by Congress should be completed to their project length with expedition. Such a policy not only effects economies, but justifies the faith of investors in providing adequate boats and municipalities in providing appropriate terminals. Ordinarily a river or waterway cannot be utilized for traffic until the projected improvement is entirely completed, and even where all the other conditions for traffic are favorable, it cannot profitably be used until completed. In this connection, we commend the policy of Congress in the enactment of annual river and harbor bills which have been substantially continuous since 1910. This should be considered one of the continuous activities of the Government, requiring annual budgets and appropriations just as any other essential activity. We commend to the favorable

consideration of the Federal Congress the wisdom of largely increased appropriations for projects which have been or may hereafter be adopted, to the end that they may be completed and opened to traffic within a reasonable time.

Use of Waterways

It has been said that Congress has improved some waterways which have not been utilized, and most of the criticisms heretofore directed against river and harbor appropriations have been predicated upon this statement. We may admit that a few waterways have little commerce and have not justified the expenditures for their improvement. We may further admit that some waterways are not adequately used in moving traffic which should ordinarily be carried by water. While the tonnage carried upon the waterways of the country is very large in the aggregate, it may be much greater. It will be interesting to inquire why this condition exists. It is not because of lack of traffic or because the waterways are not needed. It is not because the railroads are sufficient to meet the traffic demands of the country. It is not because traffic can be moved more efficiently and cheaper than by water. On the other hand, it is because of certain arbitrary conditions which exist and because certain essentials for successful water transportation are lacking. Let us inquire briefly into some of these reasons and essentials:

(a) For many years water carriers were subjected to unfair competition and treatment by competing railroads. Competitive rail rates were unduly reduced. Unfair discrimination was practiced. The boat lines were purchased by the competing railroad, operated in an inefficient manner and finally abandoned. In other and devious ways water competition was destroyed. As a coordinate agency of transportation boat lines are entitled to cooperation and not destruction. We recommend legislation which will assure a readjustment of rail rates, competitive with waterways, and which will require a discontinuance of such unfair practices. There is no sound economic reason why railroads competing with waterways should reduce their rates below the point of profit and attempt to reconp their losses from interior sections.

(b) Water carriers have not been permitted to interchange traffic with connecting railroads with through rates and bills of lading. It will be admitted that the system of pro-rating which prevails between the different lines of railroads has been the most potential factor in our system of rail transportation. The cost of movement by water, particularly of bulky products, is less

than by rail. Where products are to be carried partly by water and partly by rail, between the points of origin and destination, the public should have the benefit of the cheaper movement by water in making the joint and proportional rate between the rail and water lines. The amendment to the Commerce Act of 1912 gave the Interstate Commerce Commission jurisdiction to establish interchange of traffic between rail and water lines which has not been effectively enforced. We recommend legislation which will compel such interchange of traffic in all cases where the interests of the shippers will be subserved.

(c) Another amendment to the Commerce Act of 1912 prohibited the railroads from owning and operating competing boat lines, giving the Interstate Commerce Commission jurisdiction to determine the fact of competition and also discretion to suspend temporarily the enforcement of the law for sufficient reasons. We submit that this provision of law was wise, and it should not be amended or relaxed. Transportation by water and rail are so essentially different that they should not be held under common ownership where they compete with one another. We respectfully request the Federal Congress to resist any efforts to amend the existing law as applicable to any section of the country.

(d) Water terminals are essential to water transportation. Even where the traffic is local and exclusively by water, terminals are most convenient, but they are absolutely essential in the operation of through traffic partly by rail and partly by water. The transfer between the boat and rail carriers should be effected in the cheapest and most expeditious manner and this can be accomplished only through the medium of an adequate water terminal. At the present time the construction of terminals devolves either upon the boat line and the railroad, separately or combined, or upon the municipality. We submit that ordinarily the construction of such a terminal should be at the expense of the state or municipality, to be maintained and regulated in the interests of the public. We cannot emphasize too strongly the necessity of such terminals. No progressive city located upon a navigable waterway can afford to neglect this imperative obligation.

(e) Another reason why some waterways are inadequately utilized lies in the lack of an intelligent comprehension upon the part of shippers of the importance of developing water transportation as a coordinate part of any transportation system. Frequently the men who control production and distribution are lacking in

vision. They accept existing facilities for transportation, with all their imperfections, and fail to realize that cooperative efforts for the use of the waterways would supply existing deficiencies of movement.

(f) In so far as legislation will remove the arbitrary conditions which have impeded water transportation, we submit that the bills in Congress providing for the restoration of railroads to their owners afford an unusual opportunity for removing these impediments and for emancipating water carriers.

Federal Supervision of Water Transportation

There should be some Federal agency clothed at least with recommendatory powers over water transportation. This activity requires not only boat lines, terminals, arrangements for interchange of traffic with railroads and other boat lines, but skilled traffic management. It may not be easy to secure all these essentials within the territory traversed by the boat lines. They need encouragement, assistance and advice. Among the varied activities of the Federal Government, there is no one to whom the projectors of boat lines can appeal for such experts, advice and assistance. We recommend legislation creating a Federal agency, qualified to advise as to the appropriate type of boats and as to the location, plans and costs of water terminals, which shall intervene in establishing exchange of traffic with railroads and in other ways assist in the solution of difficult problems. We believe that such duty should be imposed upon the Department of Commerce and we recommend legislation to that end.

Boats Operated By United States Railroad Administration

Under the Railroad Control Bill, the President was authorized in his discretion to utilize canals and waterways and to construct boats and barges for operation on same. Under this authority the President, through the Director General of Railroads, has constructed or authorized the construction and operation of boats upon the Mississippi River, the Warrior system of rivers, the New York Barge Canals and other waterways. As a part of the pending legislation for the return of railroads to their owners, we recommend that provision be made for the transfer of such boat lines to some other agency of the Government, with authority to operate the same for a term of years, to complete all unfulfilled contracts for the construction of boats and to build other boats where necessary, to the end that the experiment which was initiated shall be continued sufficiently long to demonstrate its

value and establish traffic upon the said waterways. If it shall appear advisable to discontinue the operation of such boats upon the New York Barge Canals, the sale of such boats and the discontinuance of operation upon such waterways should be effected. We believe that such transfer of authority should be made to the United States Shipping Board or the Department of Commerce.

Proposed Legislation in Pending Railroad Bills

The President of this organization several months ago invited a Committee of its members to meet in Washington to consider proposed amendments to the pending railroad bills in the interest of water transportation. Amendments in accordance with the foregoing recommendations were provided and Senator Ransdell was instructed to present same to the Senate Committee, while Representative Small was selected to present same to the House Committee. This was done and such amendments were printed. Among other amendments, was one providing that the absorption by a water carrier of the switching, terminal, or other charge of a rail carrier for service within the limits of a port terminal should not be held to constitute an arrangement for a continuous carriage within the meaning of the act to regulate commerce, and should not subject such water carrier to the provisions of such act. We also commend this amendment to the existing law.

Water Power

The fact that latent water power lies in many navigable streams, taken in connection with the present acute deficiency in the supply of coal, justifies a declaration regarding the development of water power. A large proportion of the coal supply is annually used in the production of electrical energy. We submit that legislation has already been too long delayed. Surely a law may be enacted which will adequately protect the public and at the same time invite capital for investment in the construction of power plants. Wherever in the improvement of systems for navigation water power may be developed, we recommend a combination in the interest of the public.

Merchant Marine

Out of the exigencies of war arose a necessity for creation by the Federal Government of a large number of ships for over-seas service. At the beginning of the war, less than 10 per cent of our foreign trade was carried in ships of American registry and sailing under the American flag. The Government has provided a suffi-

cient number of ships to carry a large proportion of our foreign commerce. We anticipate hopefully the establishment, under permanent conditions, of an American merchant marine. Whether these ships shall be temporarily held and operated by the Government or sold for private operation, we submit that the foundations should be securely laid for the retention and maintenance of a permanent American merchant marine.

Port-to-Port Rates

We submit that neither the Interstate Commerce Commission nor any other department of the Government should have jurisdiction over port-to-port rates by water, except in so far as may be necessary in effecting interchange of traffic between rail lines and water lines, and we oppose any legislation which seeks to conserve such jurisdiction.

RESOLVED that the thanks of the Congress be tendered to President Ransdell, to S. A. Thompson, the very capable secretary-treasurer, to John I. Martin, who has discharged with such satisfaction the duties of sergeant-at-arms, to the Vice-Presidents and the Board of Directors for their able and efficient administration of the affairs of the Congress and the proceedings of this meeting. We also extend thanks to the representatives of the press who have so faithfully reported the same.

RESOLVED, further, that the Congress hereby reiterates its thanks and tenders affectionate regards to Honorable Joseph E. Ransdell, the retiring President. He has for many years ably and unselfishly directed the policies and activities of the Congress, and now that he has voluntarily retired, we request his continued counsel and cooperation and wish for him many more years of useful service.

Two familiar faces were missing at the Convention, Mr. T. Edward Wilder, of Chicago, and Mr. George D. Babbitt, of Albany, N. Y. Mr. Wilder was for many years a Director for the Great Lakes District, and one of the most active and efficient officers of the Congress. Mr. Babbitt, while not a member of the Official Board, was a tireless worker for waterways and an invariable attendant upon our conventions.

Appropriate resolutions, presented respectively by Mr. G. H. Anderson, of Chicago and Mr. Roy Smith of Albany, were adopted, the delegates standing in silence as a mark of respect.

RAILROAD BILLS COMPARED

As To Waterway Provisions

It would be hard to overestimate the importance of the legislation now pending for the termination of Government control of railroads and the fixing of the conditions under which they are to be operated after they are returned to their owners. The provisions of the bill as finally passed will affect not only the railway companies and their employees but will influence, for good or ill, every section, every community and practically every citizen of the United States.

The difference between the two bills, which were passed respectively by the House on November 17 and by the Senate on December 20, are so many and so fundamental that the Conference Committee has before it a prolonged and difficult task. This Committee consists of Senators Cummins, of Iowa, (Chairman of the Committee on Interstate Commerce), Poindexter, of Washington, Kellogg, of Minnesota, Pomerehne, of Ohio, and Robinson, of Arkansas, and Representatives Esch, of Wisconsin, (Chairman of the Committee on Interstate and Foreign Commerce), Hamilton, of Michigan, Winslow, of Massachusetts, Sims, of Tennessee, and Barkley, of Kentucky.

Like other citizens of the United States, we are interested in all the provisions of this legislation, but we are, of course, especially interested in the provisions which relate to waterways and water transportation, and these are given in full below. Those who desire to study the full text of both bills should apply to a Senator or Representative for "H. R. 10,453, with the amendment of the Senate"—the "amendment" being the entire Senate Bill.

GOVERNMENT-OWNED BOATS ON INLAND WATERWAYS

In the House Bill:

SEC. 201. On the termination of Federal control, as provided in section 200, all boats, barges, tugs, and other transportation facilities, on the inland, canal, and coastwise waterways (hereinafter in this section called "transportation facilities") acquired by the United States in pursuance of the fourth paragraph of section 6 of the Federal Control Act (except the transportation facilities constituting parts of railroads or transportation systems over which Federal control was assumed) are transferred to the Sec-

retary of War, who, through the Chief of Engineers, shall utilize or operate such transportation facilities, and assume and carry out all contracts and agreements in relation thereto entered into by or through the President in pursuance of such paragraph prior to the time above fixed for such transfer. All payments under the terms of such contracts shall be made out of moneys available under the provisions of this Act for adjusting, settling, liquidating, and winding up matters arising out of or incident to Federal control. Moneys required for such payments shall, from time to time, be transferred to the Secretary of War as required for payment under the terms of such contracts. All other payments after such transfer in connection with the construction, utilization, and operation of any such transportation facilities, whether completed or under construction shall be made by the Secretary of War out of funds now or hereafter made available for that purpose.

The utilization and operation of such transportation facilities shall be subject to the provisions of the Commerce Act as amended by this Act or by subsequent legislation, and to the provisions of the "Shipping Act, 1916," as now or hereafter amended, in the same manner and to the same extent as if such transportation facilities were privately owned and operated; and all such vessels while operated and employed solely as merchant vessels shall be subject to all other laws, regulations, and liabilities governing merchant vessels, whether the United States is interested therein as owner, in whole or in part, or holds any mortgage, lien, or interest therein. For the performance of the duties imposed by this section the Secretary of War is authorized to appoint or employ such number of experts, clerks, and other employees as may be necessary for service in the District of Columbia or elsewhere, and as may be provided for by Congress.

In the Senate Bill:

The rights and interests of the United States acquired by the President under section 6 of the Act hereby repealed, authorizing expenditures for the utilization and operation of canals or for the purchase, construction or utilization and operation of boats, barges, tugs, and other transportation facilities on the inland, canal, and

coastwise waterways, which shall include the boats constructed or authorized to be constructed for the navigation of the Mississippi River above St. Louis, are hereby transferred to the United States Shipping Board and shall be dealt with in accordance with the rights and interests so acquired and under the provisions of the Act known as the "Shipping Act, 1916." All payments for construction of any boats, barges, tugs, or other transportation facilities hereby transferred to the United States Shipping Board, under the terms of contracts entered into by the Director General prior to such transfer, shall be made out of the moneys available under the provisions of this Act for the purpose of adjusting, settling, liquidating, and winding up all matters arising out of or incident to Federal control, and moneys required for such payments shall from time to time be transferred to said United States Shipping Board as required for payment under the terms of said contracts, but all other payments after such transfer, in connection with the construction and operation of any boats, barges, tugs, or other transportation facilities hereby transferred to said United States Shipping Board, whether completed or under construction, shall be made by said United States Shipping Board out of funds available to it: *Provided*, That this paragraph shall not apply to any transportation facilities on inland, canal, or coastwise waterways constituting parts of transportation systems of which possession was taken and control assumed by the President under the aforesaid Act of August 29, 1916, or the aforesaid Act of March 21, 1918.

EXISTING RATES TO CONTINUE IN EFFECT

In the House Bill:

SEC. 206. All rates, fares, and charges, all divisions of joint rates, and all classifications, regulations, and practices in anywise changing, affecting, or determining any part or the aggregate of rates, fares, or charges, or the value of the service rendered, which immediately preceding the termination of Federal control are in effect on the lines of carriers subject to the Commerce Act, shall continue in force and effect until thereafter changed by State or Federal authorities, respectively, or pursuant to authority of law; but this shall not be construed as affecting the rights of any party to a proceeding, involving rates, fares, charges, classifications, regulations or practices, which has been or may be instituted under the Commerce Act or other law.

In the Senate Bill:

Rates, fares, and charges and divisions of joint

rates for the service of the common carriers in force at the time that the repeal of the said Act takes effect shall remain in force until changed by competent authority. (Page 89).

PHYSICAL CONNECTION BETWEEN RAIL AND WATER CARRIERS

In the House Bill:

SEC. 411. The two paragraphs under (a) of the thirteenth paragraph of section 6 of the Commerce Act are hereby amended so as to be combined into one paragraph to read as follows:

"(a) They (the Interstate Commerce Commission) shall establish physical connection between the lines of the rail carrier and the dock at which interchange of passengers or property is to be made by directing the rail carrier to make suitable connection between its line and a track or tracks which have been constructed from the dock to the limits of the railroad right of way, or by directing either or both the rail and water carrier, individually or in connection with one another, to construct and connect with the lines of the rail carrier a track or tracks to the dock. The Commission shall have full authority to determine and prescribe the terms and conditions upon which these connecting tracks shall be operated, and it may, either in the construction or the operation of such tracks, determine what sum shall be paid to or by either carrier: *Provided*, That construction required by the Commission under the provisions of this paragraph shall be subject to the same restrictions as to findings of public convenience and necessity and other matters as is construction required under section 1 of this Act."

In the Senate Bill:

SEC. 40. That the two paragraphs under (a) of the thirteenth paragraph of section 6 of the Act to Regulate Commerce be amended to read as follows:

"(a) The (Transportation) Board shall have authority to establish physical connection between the lines of the rail carrier and the dock at which interchange of passengers or property is to be made by directing the rail carrier to make suitable connection between its line and a track or tracks which have been constructed from the dock to the limits of the railroad right of way, or by directing either or both the rail and water carrier, individually or in connection with one another, to construct and connect with the lines of the rail carrier a track or tracks to the dock. This provision shall only apply where such connection is reasonably practicable and can be

made with safety to the public and where the amount of business to be handled is sufficient to justify the outlay. The provisions of this paragraph shall extend to cases where the dock is not owned by any carrier involved.

"The Board shall have full authority to determine and prescribe the terms and conditions upon which these connecting tracks shall be operated, and it may, either in the construction or the operation of such tracks, determine what sum shall be paid to or by either carrier: Provided, That the construction required by the Board under the provisions of this paragraph shall be subject to the same restrictions as to findings of public convenience and other matters as is construction required under section 1 of this Act."

LONG-AND-SHORT-HAUL CLAUSE

In the House Bill:

(The House Bill Makes No Change in the Existing Law).

In the Senate Bill:

SEC. 37. That section 4 of the Act to Regulate Commerce be amended to read as follows:

"That it shall be unlawful for any common carrier subject to the provisions of this Act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this Act, but this shall not be construed as authorizing any common carrier within the terms of this Act to charge or receive as great compensation for a shorter as for a longer distance: Provided, however, That upon application to the Interstate Commerce Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section: **but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not fairly compensatory for the service performed;** and if a circuitous rail line or route is, because of such circuitry, granted authority to meet the charges of a more direct

line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; **and no such authorization shall be granted on account of merely potential water competition not actually in existence.**

"Wherever a carrier by railroad shall in competition with a water route or routes reduce the rates on the carriage of any species of freight to or from competitive points it shall not be permitted to increase such rates unless after hearing by the Commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of water competition."

PROPORTIONAL RATES; ABSORPTION OF CERTAIN RAIL CHARGES; NO CONTROL OVER TRANSPORTATION WHOLLY BY WATER

In the House Bill:

SEC. 412. Paragraphs (b) and (c) of the thirteenth paragraph of section 6 of the Commerce Act are hereby amended to read as follows:

"(b) The absorption out of its port-to-port water rates, or out of its proportional through rates, by a water carrier, of the switching, terminal, lighterage, car rental, trackage, handling, or other charges by a rail carrier for services within the switching, drayage, lighterage, or corporate limits of a port terminal or district, shall not be held to constitute "an arrangement for a continuous carriage or shipment" within the meaning of the Act to regulate commerce, and shall not subject such water carrier to the provisions of such Act.

"(c) To establish proportional rates, or maximum, or minimum, or maximum and minimum proportional rates, by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates shall apply. By proportional rates are meant those which differ from the corresponding local rates to and from the port and which apply only to traffic which has been brought to the port or is carried from the port by a common carrier by water."

(It will be noted that the House Bill entirely omits the "Paragraph (b)" of the present law which gives the Commission power to fix joint rates where the transportation is partly by rail and partly by water. This paragraph was elim-

inated by a vote of the House upon the motion of Mr. Small. It would seem that to avoid any uncertainty, one phrase in the paragraph quoted below [which appears on page 65 of the House Bill], should also be eliminated.)

The Commission may also, after full hearing upon complaint or upon its own initiative, establish through routes, joint classification, and joint rates, fares, or charges, applicable to the transportation of passengers or property, or the maxima, or minima, or maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinbefore provided, and the terms and conditions under which such through routes shall be operated; **and this provision shall apply when one of the carriers is a water line.** The Commission shall not, however, establish any through route, classification, or rate, between street electric passenger railways not engaged in the general business of transporting freight in addition to their passenger and express business, and railroads of a different character: **nor shall the Commission have the right to establish any route, classification, rate, fare or charge when the transportation is wholly by water, and any transportation by water affected by this Act shall be subject to the laws and regulations applicable to transportation by water.** (Page 65).

In the Senate Bill:

SEC. 41. That section 6 of the Act to Regulate Commerce be further amended by substituting for the words "maximum proportional rates" in the paragraph designated (c) the words "proportional rates, or maximum, or minimum, or maximum and minimum proportional rates."

The Commission shall have no authority to establish any route, classification, rate, fare, or charge when the the transportation is wholly by water.

SEC. 41½. Section 6 of the Act to regulate commerce is hereby further amended to read as follows; "(e) The absorption out of its port-to-port water rates or out of its proportional through rates by water carrier of the switching, terminal, lighterage, car rental, trackage, handling, or other charges by a rail carrier for services within the switching, drayage, lighterage, or corporate limits of a port terminal or district, shall not be held to constitute an arrangement for a continuous carriage or shipment within the meaning of the Act to regulate commerce and shall not subject such water carriers to the provisions of such Act."

The Senate Bill contains an amendment (which occupies nine pages), to the first four paragraphs

of Section 15 of the Act to Regulate Commerce. This amendment defines the powers of the Interstate Commerce Commission over individual or joint rates and gives authority to fix both the maximum and the minimum charges which may be made. The proviso is added, (on page, 177).

"That nothing applicable to joint rates shall authorize a water carrier to receive as a proportion or division of a joint rate an amount in excess of its port to port rate, or to authorize the Commission to prescribe the minimum rate to be charged for transportation by a water carrier."

That provision of the present law is retained which forbids the Commission, in making a through route, to include substantially less than the entire length of a given railroad unless this would make a route unreasonably long. But it is added, (on page 178,) "Provided, however, that this restriction shall not operate to hinder or prevent the Commission establishing or maintaining a through route where one of the carriers is a water line."

SEC. 47b. The eleventh paragraph of section 20 of the Interstate Commerce Act is hereby amended by inserting immediately before the first proviso thereof the following: "Provided, That if the loss, damage, or injury occurs while the property is in the custody of a carrier by water, the liability of such carrier shall be determined by and under the laws and regulations applicable to transportation by water and the liability of the initial carrier shall be the same as that of such carrier by water."

INVESTIGATION OF NEEDS OF WATER TRANSPORTATION

In the House Bill:

SEC. 211. It shall be the duty of the Secretary of War, through the Chief of Engineers, with the object of promoting, encouraging, and developing inland waterway transportation facilities in connection with the commerce of the United States, to investigate the appropriate types of boats suitable for different classes of such waterways; to investigate the subject of water terminals, both for inland waterway traffic and for through traffic by water and rail, including the necessary docks, warehouses, apparatus, equipment, and appliances in connection therewith, and also railroad spurs and switches connecting with such terminals, with a view to devising the types most appropriate for different locations, and for the more expeditious and economical transfer or interchange of passengers or property between carriers by water and carriers by

rail; to advise with communities, cities, and towns regarding the appropriate location of such terminals, and to cooperate with them in the preparation of plans for suitable terminal facilities; to investigate the existing status of water transportation upon the different inland waterways of the country, with a view to determining whether such waterways are being utilized to the extent of their capacity, and to what extent they are meeting the demands of traffic, and whether the water carriers utilizing such waterways are interchanging traffic with the railroads; and to investigate any other matter that may tend to promote and encourage inland water transportation. It shall also be the province and duty of the Chief of Engineers, under the direction of the Secretary of War, to compile, publish, and supply, from time to time, such useful statistics, data, and information concerning transportation on inland waterways as may be of value to the commercial interests of the country.

The words "inland waterways" used in this section shall be construed to include the Great Lakes.

In the Senate Bill:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with the commerce of the United States, and to preserve in full vigor both rail and water transportation.

With that end in view the (Transportation) Board shall inquire into water transportation facilities both for internal and external commerce, and especially into the relations between carriers by land and carriers by water, and the best method of coordinating the two kinds of transportation, when the carriage is partly by land and partly by water; shall investigate the appropriate types of boats suitable for different classes of inland waterways, also the subject of water terminals both for water traffic and for through traffic by water and rail, including the necessary docks, warehouses, apparatus, equipment, and appliances in connection therewith, and railroad spurs and switches connecting with such terminals with a view to devising the types most appropriate for different locations, and for the more expeditious and economical transfer or interchange of passengers or property between carriers by water and carriers by rail; shall advise with communities, cities, and towns regarding the appropriate location of such terminals, and cooperate with them in the preparation of plans for suitable terminal facilities; shall investigate the existing status of water transportation upon

the different inland waterways of the country with a view to determining whether such waterways are being utilized to the extent of their capacity, to what extent they are meeting the demands of traffic, and whether the water carriers utilizing such waterways are interchanging traffic with the railroads; shall cooperate with communities, cities, and towns and established lines of inland water transportation in obtaining from railroads proportional through rates on traffic carried partly by water and partly by rail; and shall investigate any other matter that may tend to promote and encourage inland water transportation.

It shall also be the province and duty of the Board to compile, publish, and supply from time to time such useful statistics, data, and information concerning transportation by inland waterways as may be of value to the commercial interest of the country, and make such annual recommendations to Congress for the regulation and improvement of transportation by such inland waterways as it deems advisable.

TO ENCOURAGE FOREIGN TRADE

In the Senate Bill Only:

SEC. 45. Every common carrier by water in foreign commerce, whose vessels are registered under the laws of the United States and thereby made subject to regulation under the Constitution and the laws of the United States, shall file with the Board, within thirty days after this Act takes effect and regularly thereafter, a schedule or schedules showing each of its steam vessels intended to load general cargo at ports in the United States for foreign destinations; the ports of loading; the dates upon which vessels will commence to receive freight and dates of sailing; the route and itinerary vessel will follow and the ports of call for which cargo will be carried; and upon application of any shipper the carrier by railroad shall make request for, and the carrier by water shall upon the receipt of such request name, a specific rate applying for such sailing, and upon such commodity as shall be embraced in the inquiry, and shall name in connection with such rate, port charges, if any, which accrue in addition to the vessel's rates and are not otherwise published by the railway as in addition to or absorbed in the railway rate. Vessel rates, if conditioned upon quantity of shipment, must be so stated and separate rate may be provided for carload and less than carload shipments. The carrier by water, upon advices from a carrier by railroad, stating that the quoted rate is firmly accepted as applying upon

specifically named quantity of any commodity, shall make firm reservation from unsold space on such steam vessel as shall be required for its transportation and shall so advise the carrier by railroad, in which advices shall be included the latest available information as to prospective sailing date of said steamer.

As the matters so required to be stated in such schedule or schedules are changed or modified from time to time, the carrier shall file with the Board such changes or modifications as early as practicable after such modification is ascertained. The Board is authorized to make and publish regulations not inconsistent herewith governing the manner and form in which such carriers are to comply with the foregoing provisions.

The Board shall cause to be published in compact form, for the information of shippers of commodities throughout the country, the substance of such schedules, and furnish such publications to all railway carriers subject to the Act to Regulate Commerce, as amended, in such quantities so that railway carriers may supply to each of their agents who receive commodities for shipment in such cities and towns as may be specified by the Board, a copy of said publication; the intent being that each shipping community sufficiently important, from the standpoint of the export trade, to be so specified by the Board shall have opportunity to know the sailings and routes, and to ascertain the transportation charges of vessels engaged in foreign commerce as aforesaid. Each railway carrier to which such publication is furnished by the Board is hereby required to distribute the same as aforesaid and to maintain such publication as it is issued from time to time, in the hands of its said agents. The Board is authorized to make such rules and regulations respecting the distribution and maintenance of said publications in the several communities so specified not inconsistent herewith and which will further the intent of this section.

When any consignor delivers a shipment of property to any of the places specified by the Board as aforesaid, to be delivered by the railway carrier to one of the vessels upon which space has been reserved at a specified rate previously ascertained, as provided herein, for the transportation by water from and for a port named in the aforesaid schedule, the railway carrier shall issue a through bill of lading to the point of destination; such bill of lading shall name separately the charge to be paid for the railway transportation, water transportation, and port charges, if any, not included in the rail or water transportation charge; but the carrier by railroad shall not be liable to the consignor, con-

signee, or other person interested in the shipment after its delivery to the vessel; and the Board shall make such rules and regulations not inconsistent herewith as will prescribe, in such manner as shall preserve for the carrier by water, the protection of limited liability provided by law, the form of the through bill of lading thus to be issued. In all such cases it shall be the duty of the carrier by railroad to deliver such shipment to the vessel as a part of its undertaking as a common carrier.

The issuance of a through bill of lading covering shipments as provided for herein shall not be held to constitute "an arrangement for continuous carriage or shipment" within the meaning of the Act to Regulate Commerce, as amended, nor shall any vessel registered under the laws of the United States be held subject to any of the provisions of said Act when operating upon routes on which they are in competition with vessels of foreign nations.

PANAMA CANAL ACT PARTLY REPEALED

The Panama Canal Act, which was approved August 24th, 1912, prohibits any railroad from operating, controlling, or having any interest in, single vessels or lines of boats with which "it does or may compete for traffic." It also gives the Interstate Commerce Commission authority "to determine questions of fact as to the competition or the possibility of competition" and to allow railroads to continue the operation of boat lines when convinced that "any such existing specified service by water, other than through the Panama Canal, is being operated in the interest of the public and is of advantage to the convenience and commerce of the people, and that such extension will neither exclude, prevent, nor reduce competition on the route by water under consideration."

The friends of waterways considered that they had achieved quite a victory when that provision was enacted. A careful reading of the language given below, which appears in the House Bill only, pages 56 and 57, shows that, if this becomes the law, the Commission will no longer need to give any consideration to the question whether or not competition will be excluded, prevented, or reduced.

This opens the way for a complete railroad monopoly of water transportation on the Great Lakes and on any route "where the major portion of the service is upon the high seas or upon Long Island Sound." It also makes exceedingly pertinent the question, "Where is the business

to come from to justify the expenditure of \$155,000,000 on the New York barge canal system?"

In the House Bill Only

"(6) If the Commission is of the opinion that any such existing or proposed new specified service by water, other than through the Panama Canal, is being or will be operated in the interest of the public, and is or will be of advantage to the convenience and commerce of the people, and that a discontinuance of the existing service, or a failure to establish the proposed new service, will be substantially injurious to the commerce of localities affected, the Commission may, upon such just and reasonable terms as it may prescribe, by order extend the time during which such existing service by water may continue to

be operated, or authorize the establishment and maintenance of the proposed new service, until its further order after hearing: Provided, That no new service shall be authorized except in or upon the Great Lakes and their connecting water ways, or on a navigable water (other than through the Panama Canal) where the major portion of the service is upon the high seas or upon Long Island Sound. In every case of such extension or authorization the rates, schedules and practices of such water carrier shall be filed with the Commission and shall be subject to this Act and all amendments thereto in the same manner and to the same extent as is the railroad or other common carrier controlling such water carrier or interested in any manner in its operation."

A YEAR OF GREAT ACTIVITY

(Continued from Page 6)

United States. Later Senator Ransdell was made our second Honorary Director for life, Captain Ellison, former Secretary and Treasurer, being the first.

The first banquet ever given by the Congress was held on the evening of Wednesday, December 10, at the New Willard Hotel, with Hon. Thomas R. Marshall, Vice-President of the United States, presiding. Baron E. de Cartier de Marchienne, the Belgian Ambassador, told of "The Waterways and Railways of Belgium, Before and After the War." Dr. Slavko Y. Grouitch, the Minister of the Serbs, Croats and Slovenes, voiced the thanks of his people for the help given them by the American Red Cross. Under the title "Our Harbor Silt," Miss Janet Richards, of Washington, gave some startling facts regarding the activities of the "Reds" in the United States. Admiral William S. Benson, U. S. N. (Retired), told of the wonderful work accomplished by "The Naval Overseas Transportation Service," and Maj. Gen. John A. Lejeune, U. S. M. C., told the thrilling story of "The Second Division and the Marines in France." There were funny stories by Mr. Charles F. Nesbit, of Washington, a humorous recitation by the English comedian Mr. Wilkie Bard, and songs by Bessie Latham Gibson. Among the selections played by the orchestra were two compositions by the Secretary. (N. B. There were no fatalities.) As the country weeklies say "A good time was had by all", and it seemed to be the unanimous opinion that hereafter a banquet must be a regular feature of our annual conventions.

By the unanimous recommendation of the Committee on Nominations, with seconds from delegates representing all parts of the country, and by the unanimous vote of the convention, Hon. John H. Small, M. C. was elected to succeed Senator Ransdell as president. Mr. Small, whose home city is Washington, North Carolina, has been a member of Congress for twenty years. For nine years of this time he has been a member of the Rivers and Harbors Committee and for two years was its Chairman. He was a member of the Committee on Resolutions at the convention held in Washington in January, 1906, at which the National Rivers and Harbors Congress was reorganized and for the past six years has been its Vice President for North Carolina.

In the course of his brief address of acceptance Mr. Small said:

"At this moment the thought which is uppermost in my mind, next to that of gratitude for the honor which you have accorded me, is whether I shall be able to justify your confidence and your support. I shall devote to the discharge of the high duties of this position all the capacity which I possess. I hope that it will produce such fruits as may meet your expectations and may work for the common welfare which is involved in the promotion of water transportation. Nothing which your president may be able to do will accomplish results unless it shall be accompanied by your cooperation and support.*****Again thanking you from the bottom of my heart, and having only to hope that I may be able to justify your expectations. I promise to you the best that is in me."